

Interim Report
SMIS Corporation Berhad
(Company No. 491857-V)
(Incorporated in Malaysia)
and its subsidiaries

Condensed Consolidated Statement of Financial Position as at 31 December 2014
(unaudited)

	Note	As at 31 December 2014 RM'000	As at 31 December 2013 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		32,886	31,570
Investment properties		455	477
Intangible assets		710	710
Deferred tax assets		1,297	1,286
Total non current assets		35,348	34,043
Current assets			
Inventories		16,159	16,753
Trade and other receivables		45,091	39,835
Current tax assets		807	546
Cash and cash equivalents		20,253	24,079
Total current assets		82,310	81,213
TOTAL ASSETS		117,658	115,256
Equity			
Share capital		44,800	44,800
Reserves		33,760	32,740
Less: 2,615,100 treasury shares, at cost		(1,177)	(1,166)
Total equity attributable to the shareholders of the Company		77,383	76,374
Non-controlling interests		6,032	4,888
Total equity		83,415	81,262
Non-current liabilities			
Other financial liabilities		426	426
Loans and borrowings	B8	2,095	2,227
Deferred tax liabilities		393	182
Total non current liabilities		2,914	2,835
Current liabilities			
Loans and borrowings	B8	4,695	5,498
Trade and other payables		26,059	24,638
Provision for warranties		289	489
Tax payable		286	534
Total current liabilities		31,329	31,159
TOTAL EQUITY AND LIABILITIES		117,658	115,256
Net assets per share (RM)		1.73	1.70

Note:-

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

Interim Report
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Condensed Consolidated Statement of Comprehensive Income for the 12 months year ended 31 December 2014
(unaudited)

	Note	3 months period ended 31 December		12 months period ended 31 December	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue		35,765	35,489	146,743	132,961
Cost of sales		(29,987)	(29,988)	(122,902)	(108,121)
Gross profit		<u>5,778</u>	<u>5,501</u>	<u>23,841</u>	<u>24,840</u>
Operating expenses		(5,384)	(5,819)	(18,807)	(17,768)
Other operating income		739	630	1,011	1,258
Operating profit / (Loss)		<u>1,133</u>	<u>312</u>	<u>6,045</u>	<u>8,330</u>
Financing costs		(138)	(122)	(504)	(568)
Interest income		54	109	184	252
Profit / (Loss) before taxation		<u>1,049</u>	<u>299</u>	<u>5,725</u>	<u>8,014</u>
Tax expense	B5	(985)	(245)	(2,702)	(3,060)
(Loss) / Profit after taxation		<u>64</u>	<u>54</u>	<u>3,023</u>	<u>4,954</u>
Other comprehensive income, net of tax					
Item that will not be reclassified					
subsequently to profit or loss					
Remeasurement of financial liabilities		-	281	-	281
Available-for-sale financial assets - reclassified to profit or loss		-	(142)	-	(88)
Foreign currency translation differences for foreign operations		190	35	194	241
Other comprehensive income for the period, net of tax		<u>190</u>	<u>(107)</u>	<u>194</u>	<u>434</u>
Total comprehensive income for the period		<u>254</u>	<u>(53)</u>	<u>3,217</u>	<u>5,388</u>
Profit attributable to:					
Owners of the Company		255	45	2,335	4,217
Non-controlling interests		(191)	9	688	737
Profit for the period		<u>64</u>	<u>54</u>	<u>3,023</u>	<u>4,954</u>
Total comprehensive income attributable to :					
Owners of the Company		529	216	2,523	4,643
Non-controlling interests		(275)	11	694	745
Total comprehensive income for the period		<u>254</u>	<u>227</u>	<u>3,217</u>	<u>5,388</u>
Basic earnings per ordinary share (sen)	B12	0.60	0.11	5.53	9.99
Diluted earnings per ordinary share (sen)		N/A	N/A	N/A	2.02

Notes :-
N/A = Not applicable

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Condensed Consolidated Statement of Changes in Equity for the 12 months year ended 31 December 2014
(unaudited)

	← Attributable to the owners of the Company →							Total Equity RM'000
	← Non-distributable →				Distributable			
	Share capital RM'000	Share premium RM'000	Treasury share RM'000	Foreign currency translation reserve RM'000	Fair value reserve RM'000	Retained profits RM'000	Non- controlling interests RM'000	
At 1 January 2014	44,800	4,891	(1,166)	53	-	27,796	4,888	81,262
Foreign currency translation differences for foreign operations	-	-	-	188	-	-	6	194
Total other comprehensive income for the financial period	-	-	-	188	-	-	6	194
Profit net of tax for the period	-	-	-	-	-	2,335	688	3,023
Total comprehensive income for the period	-	-	-	188	-	2,335	694	3,217
- Purchase of own shares	-	-	(11)	-	-	-	-	(11)
- Dividends to owners of the Company	-	-	-	-	-	(1,055)	-	(1,055)
- Dilution of share capital	-	-	-	-	-	(141)	141	-
- Remeasurement of dividend	-	-	-	-	-	(307)	309	2
Total transaction with owners of the company	-	-	(11)	-	-	(1,503)	450	(1,064)
At 31 December 2014	44,800	4,891	(1,177)	241	-	28,628	6,032	83,415
At 1 January 2013	44,800	4,891	(1,156)	(180)	88	24,355	4,373	77,171
Fair value of available-for-sale financial assets	-	-	-	-	(88)	-	-	(88)
Remeasurement of financial liabilities	-	-	-	-	-	281	-	281
Foreign exchange translation differences	-	-	-	233	-	-	8	241
Total other comprehensive income for the financial year	-	-	-	233	(88)	281	8	434
Profit net of tax for the year	-	-	-	-	-	4,217	737	4,954
Total comprehensive income for the period	-	-	-	233	(88)	4,498	745	5,388
- Purchase of own shares	-	-	(10)	-	-	-	-	(10)
- Dividends to owners of the Company	-	-	-	-	-	(1,057)	(158)	(1,215)
- Derecognition of subsidiary	-	-	-	-	-	-	(72)	(72)
Total transaction with owners of the company	-	-	(10)	-	-	(1,057)	(230)	(1,297)
At 31 December 2013	44,800	4,891	(1,166)	53	-	27,796	4,888	81,262

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

Interim Report
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Condensed Consolidated Cash Flow Statement for the 12 months year ended 31 December 2014
(unaudited)

	For the 12 months period ended 31 December 2014 RM'000	For the 12 months period ended 31 December 2013 RM'000
Cash flows from operating activities		
Profit before taxation from operations	5,725	8,014
Adjustment for non-cash items:		
Impairment loss on trade receivables	78	788
Impairment loss on inventories	199	-
Intangible assets written-off	-	612
Inventory written-down	154	309
Inventory written-off	-	5
Depreciation of investment properties	22	23
Depreciation of plant and equipment	5,773	4,964
Dilution of NCI's share capital	(141)	-
Gain on disposal of other investment	-	(88)
Gain on disposal of property, plant and equipment	(233)	(69)
Property, Plant and equipment written off	-	2
Interest paid	420	495
Interest income	(184)	(233)
Reversal of impairment loss on inventories	(283)	(112)
Reversal of impairment loss on trade receivables	(117)	(42)
Unrealised foreign exchange (gain) / loss	(400)	(9)
Operating profit before changes in working capital	11,013	14,659
Changes in working capital:		
Inventories	525	(3,304)
Receivables	(4,873)	(3,426)
Payables	268	1,082
Cash (used in) / generated from operations	6,933	9,011
Tax paid	(3,270)	(3,597)
Tax refund	277	-
Interest paid	(420)	(495)
Net cash (used in) / generated from operating activities	3,520	4,919
Cash flows from investing activities		
Acquisition of property, plant and equipment	(6,381)	(6,714)
Interest received	184	233
Proceed from disposal of property, plant and equipment	480	69
Net cash used in investing activities	(5,717)	(6,412)
Cash flows from financing activities		
Purchase of treasury shares	(11)	(10)
Repayment of hire-Purchase	(154)	(147)
Repayment of BA	(4,762)	-
Drawdown of BA	4,851	-
Drawdown/(Repayment) of other borrowing	(602)	655
Repayment of term loan	(127)	(124)
Dividend paid	(1,055)	(1,215)
Net cash used in financing activities	(1,860)	(841)
Net (decrease) / increase in cash and cash equivalents	(4,057)	(2,334)
Exchange rate fluctuation reserve	372	178
Cash and cash equivalents at 1 January	21,214	23,370
Cash and cash equivalents at 31 December	@ 17,529	21,214
@ Cash and cash equivalents comprise the following balance sheet amounts:		
Short term investments	2,865	3,798
Deposits placed with licensed banks	3,325	5,432
Cash and bank balances	14,063	14,849
Bank overdrafts	(2,724)	(2,865)
	17,529	21,214

(i)

For the 12 months period ended 31 December 2014, the Group acquired property, plant and equipment amounting to RM 7,371,653 of which RM 928,955 was accrued for. There was payment for assets capitalised in year ended 31 December 2013 amounting to RM 655,542.

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.